

# Remuneration Report

## Introduction

This report provides an outline of how AFRY AB's ("AFRY" or the "Company") guidelines for executive remuneration, adopted by the Annual General Meeting 2024, have been implemented in 2024. Further, the report provides details on the remuneration to the President and CEO and a summary of the Company's outstanding long-term incentive programmes. The report has been prepared in compliance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Stock Market Self-Regulation Committee.

Further information on remuneration to senior executives in accordance with Chapter 5, Sections 40-44 of the Swedish Annual Accounts Act can be found in note 6 (Employees and personnel costs) on pages 75–78 of the Annual Report 2024. Information on the work of the Remuneration Committee during 2024 can be found in the corporate governance report on page 44 of the Annual Report 2024.

Remuneration to the Board of Directors is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and is disclosed in note 6 on page 76 of the Annual Report 2024.

## Key developments 2024

The President and CEO summarises the Company's performance in the statement on pages 4-5 of the Annual Report 2024.

## The Company's remuneration guidelines: scope, purpose and deviations

A prerequisite for a successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company can recruit and retain qualified personnel. To this end, the Company must be able to offer competitive remuneration. The Company's remuneration guidelines enable the Company to offer executives a competitive total remuneration. According to the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration (STI and LTI included), pension benefits and other customary benefits. The variable cash remuneration must mainly be tied to financial criteria. The criteria must be designed to contribute to the Company's business strategy and long-term interests. The Remuneration Committee monitors and evaluates programmes for remuneration to the President and CEO, both ongoing programmes and programmes ended during the year, and the actual and expected outcome of such programmes has been reported to the Board of Directors and discussed at board meetings.

Based on the Remuneration Committee's evaluation of the President and CEO's remuneration, the Board of Directors has determined that the current remuneration structure and level of remuneration are appropriate within the relevant markets, remain competitive and promote the Company's business strategy, long-term interests and sustainability.

The remuneration guidelines, adopted by the Annual General Meeting 2024, can be found in note 6 on pages 75–78 of the Annual Report 2024. During 2024, the Company has complied with the applicable remuneration guidelines adopted by the Annual General Meeting. No deviations from the

guidelines have been made and no deviations have been made from the decision-making process to be applied to determine the remuneration according to the guidelines. No remuneration has been reclaimed.

The Auditor's report regarding the Company's compliance with the guidelines is available on the Company's website [www.afry.com/en/investor-relations/corporate-governance](http://www.afry.com/en/investor-relations/corporate-governance). In addition to the remuneration covered by the remuneration guidelines, the Company's Annual General Meetings have decided to introduce long-term incentive programmes.

**Table 1 - Total remuneration of the President and CEO in 2024<sup>1)</sup> (MSEK)**

Name of the executive (position)	1		2		3	4	5	6
	Fixed remuneration		Variable remuneration		Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration <sup>4)</sup>
	Base salary <sup>2)</sup>	Other benefits <sup>3)</sup>	STI One-year	LTI cash-based Multi-year				
Jonas Gustavsson (CEO) <sup>5)</sup>	10.99	0.11	1.69	3.36	0	4.40	20.55	75% fixed 25% variable

1) With the exception of 3-year variable remuneration, the table shows remuneration earned during 2024, i.e., for STI One-Year, the amount earned during 2024 but paid out in 2025 is reported. Multi-year variable remuneration is reported to the extent it has been subject to so-called vesting during 2024 and in that sense has been earned, even when the measurement period ended the previous year. For earned variable remuneration, see the section "Application of performance criteria" below.

2) Vacation pay included.

3) Company car.

4) Pension costs (column 4), which relate entirely to Basic salary and are defined contribution, have been fully recognised as fixed remuneration.

5) Jonas Gustavsson left AFRY on 12 January 2025, in connection with Linda Pålsson being appointed as the new President and CEO.

## Long-term incentive programmes

The long-term incentive programmes that can be offered are share-related or share-price-related programmes and/or long-term cash-based programmes – all with a duration of three years. For all cash-based programmes there is a cap of maximum 80 percent of the annual fixed cash salary for the President and CEO, and 70 percent of the annual fixed cash salary for the other senior executives. Decisions on share-related and share-price-related programmes are made by the Annual General Meeting either through separate decisions or by indicating the essential conditions of the programme in the remuneration guidelines.

### Outstanding and during the financial year 2024 concluded share-related and share-price-related incentive programmes

#### Convertible bond programme 2020

During 2024, the Company had one ongoing convertible bond programme (2020), which ended on 10 April 2024. Following the review of the Company's share and share-price-related incentive programmes conducted during 2021, it was resolved not to present any new convertible bond programmes.

The convertible bond programme 2020 was based on that a convertible bond could be converted into a number of shares, following expiration of a three-year vesting period (performance period) given the share price had risen above a pre-defined threshold, otherwise the convertible bond would be repaid. The purpose of the programme was to motivate and retain the participating employees by providing long-term incentives tied to the Company's share price, which were paid out in AFRY shares to encourage the build-up of significant shareholdings. The President and CEO did not participate in

the 2020 convertible bond programme which ended during 2024. Additional information regarding the design of the convertible bond programme can be found on the Company's website [www.afry.com/en](http://www.afry.com/en) and on page 78 of the Annual Report 2024.

### **The President and CEO's long-term share-price-related cash incentive programme ("CEO LTI 2021-2024")**

According to the terms and conditions specified in the remuneration guidelines resolved on the Annual General Meeting 2022, the President and CEO participated in a long-term share-price-related cash programme based on the share price development during the period April 2021 – March 2024 (inclusive). For the threshold value for allotment, the share price development had to exceed 0 percent as a minimum level, and reach 30 percent as a maximum level. Payment was to be made on a linear basis between the minimum level and the maximum level. If the maximum level was reached, and the President and CEO was still employed by AFRY, he would have been entitled to a payment of 7.5 MSEK (gross, before tax). The CEO LTI 2021-2024 was subject to so-called vesting during 2024 but did not result in any payout as the threshold value was not reached. The programme was not renewed.

### **Long-term cash programmes**

The Annual General Meeting 2022 adopted a cash-based long-term incentive programme, the format of which has continued to be proposed and adopted at the Annual General Meetings in 2023 and 2024. The programmes are the result of a review conducted by the Remuneration Committee in 2021 with the conclusion that the Company should offer a long-term performance-based incentive programme as part of the employees' total remuneration. The programmes aim to align participants' incentives and shareholders' interests through two strategically important financial performance conditions for AFRY, growth and EBITA margin. After a predetermined measurement period, the participant is entitled to a cash payment, depending on the degree of fulfilment of the performance conditions. For half of the amount paid to the participant, net after tax, the participant will acquire AFRY shares that he/she undertakes to keep for a predetermined period. The programme comprises of approximately 125 participants annually and is targeted for the President and CEO, the Group Executive Management, employees at director level and above who are reporting directly to the Group Executive Management, and a few nominations of key personnel and employees in key positions.

The programmes adopted at the Annual General Meetings 2022, 2023 and 2024 are subject to so-called vesting in 2025, 2026 and 2027, respectively, and are described in detail in the notice to the respective Annual General Meetings on the Company's website, [www.afry.com/en](http://www.afry.com/en).

During 2024, the Company paid out an outstanding long-term cash-based incentive programme, LTI 2021-2023, adopted in accordance with the Company's remuneration guidelines. The programme was offered to approximately 35 key employees within three categories: the President and CEO, the Group Executive Management and other key employees. Performance was measured based on average growth and EBITA margin over three years (weighted 50/50) and payments to participants in the programme occurred after the third year (conditional upon the participants still being employed by the Company). The vested amount was calculated on the average annual salary during the measurement period.

During 2024, the President and CEO participated in all outstanding long-term cash programmes.

## Application of performance criteria

The performance criteria for the President and CEO's variable remuneration have been selected to realize the Company's strategy and to encourage actions that are in the long-term interest of the Company. When selecting performance criteria, strategic goals as well as short- and long-term business priorities for the year 2024 have been considered. Below is a description of the variable remuneration expensed in 2024, as also disclosed in note 6 of the Annual Report.

**Table 2a- President and CEO's performance during the reported financial year: variable short-term cash remuneration.**

Name of the executive (position)	Programme name	Description of the criteria related to the remuneration component	Relative weighting of performance criteria	Actual award/compensation outcome MSEK
Jonas Gustavsson (CEO)	STI 2024	EBITA 2024	25%	0.56 MSEK
		EBITA margin 2024	50%	1.13 MSEK
		Growth 2024	25%	0.00 MSEK

**Table 2b- President and CEO's performance during the reported financial year: variable long-term cash remuneration.**

Name of the executive (position)	Programme name	Description of the criteria related to the remuneration component	Relative weighting of performance criteria	Actual award/compensation outcome MSEK and measured performance
Jonas Gustavsson (CEO)	LTI 2021-2023	Average EBITA margin 2021-2023	50%	0.84 (33.33%)
		Average growth 2021-2023	50%	2.52 (100.00%)

## Comparative information on the change of remuneration and the Company's performance

**Table 3- Changes in remuneration and the Company's performance over the last five financial years (RR) (MSEK)**

Annual change	RR-4 vs RR-5	RR-3 vs RR-4	RR-2 vs RR-3	RR-1 vs RR-2	RR vs RR-1	RR 2024
<b>Remuneration to the CEO<sup>6)</sup></b>						
<b>Annual fixed base salary</b>	+0.51 (+5.6%)	+0.25 (+2.6%)	+0.30 (+3.0%)	+0.36 (+3.5%)	+0.42 (+4.0%)	10.99 MSEK
<b>The Company's Performance<sup>7)</sup></b>						
<b>The Company's result EBITA</b>	-95 (-5.5%)	+77 (+4.7%)	+174 (+10.2%)	+146 (+7.7%)	+69 (+3.4%)	2,101 MSEK
<b>The Company's result EBITA margin</b>	-0.1 %-units	-0.1 %-units	-0.5 %-units	-0.5 %-units	+0.2 %-units	7.7%
<b>The Company's result organic growth</b>	-12.4 %-units	+12.4 %-units	+2.8 %-units	+2.1 %-units	-9.7 %-units	0.50%
<b>Average remuneration based on the number of full-time equivalent employees (excluding group management) in the parent company<sup>8)</sup></b>						
<b>Employees in the Company</b>	+0.02 MSEK (+2.94%)	+0.01 MSEK (+1.62%)	+0.02 MSEK (+3.25%)	+0.02 MSEK (+3.19%)	+0.02 MSEK (+3.34%)	0.61 MSEK

6) Remuneration includes fixed remuneration, i.e., base salary, holiday pay included.

7) Adjusted for items affecting comparability. For a definition of the performance criteria, please see the Annual and sustainability report 2024, mainly section "Alternative performance measures".

8) Data as of 31 December of each respective year for permanent employees. The values have been adjusted from previous years' remuneration reports due to the correction of rounding errors.